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P3 firms are no fools. To make profit, Port Mann traffic must surge.

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The provincial government is misleading the public when it touts the twinning of the Port Mann bridge and Highway 1 expansion as a "green" project. According to Transportation Minister Kevin Falcon, "When you get traffic moving, it is actually a lot better than having traffic sitting and idling for 13 hours a day pumping emissions out in the atmosphere." Minister Falcon has also reminded the public that the twinned Port Mann will be [tolled](#).

But what Falcon doesn't emphasize is that, according to provincial policy, the Port Mann toll is very likely going to be paid to a private company in a public-private partnership (P3). If the project is a P3, Falcon's assurance about air quality is at odds with the traffic projections that private toll road companies use to attract potential investors.

On their "Why Invest in Toll Roads?" [fact sheet](#), Macquarie Infrastructure Group advertises that "traffic growth, and therefore revenue growth, tends to increase annually." Macquarie boasts that over a 12-month period, their toll road investments experienced traffic growth of seven per cent. "Traffic growth combined with toll increases," it reads, "resulted in revenue increasing by 14.1 per cent."

Private paver

The Australia-based Macquarie is involved with the Sea-to-Sky Highway expansion, Golden Ears Bridge, and Canada's only privatized road, the 407 ETR in Toronto. It is one of the largest private road companies in the world and a likely private partner in the Gateway program. In January of this year, President Bush nominated Macquarie's own David Gribbin as general counsel to the U.S. Department of Transportation to push a strong road privatization agenda [in the U.S.](#)

With a private company like Macquarie operating the Port Mann toll, the interests of those in charge of the road are to maximize both traffic and toll rates on Highway 1. That means more pollution, more greenhouse gases, increasing costs to bridge users, and a larger overall number of frustrated drivers.

Private toll road investment is based on the certain knowledge that new road capacity induces more and more demand. The toll roads tend to get ever more traffic even as they charge more for the toll. This is because as the new road capacity becomes more congested, motorists are willing to pay more to get relief from that congestion. The private company then "invests" in more lanes, which fill up, and the process continues. But if Macquarie knows this, then so presumably does Minister Falcon.

Trading on misperception

When Falcon sells the idea of a Port Mann toll to the public, he is trading on the public perception of tolls as a demand management scheme. But we're not talking about a

regional, system-wide road-tolling plan that channels funds from car use into better public transit. We're talking about a multinational corporation like Macquarie Infrastructure Group privatizing the highway. And many years from now, when Gordon Campbell and Kevin Falcon are gone, we will still have Macquarie cashing in on Highway 1 congestion.

Ever since the 407 ETR highway opened in Toronto in 1999, the private road consortium has raised toll rates steadily. In 2004, the Ontario government tried to sue the company for raising tolls without the government's permission, and lost the case. The previous Conservative Ontario government had given the private consortium (which now includes Macquarie) unfettered control to raise tolls for the next 99 years. And according to Macquarie's "asset portfolio" for the 407 ETR, the highway will eventually be 12 lanes wide, "[when fully expanded](#)."

In Australia, the State of New South Wales tried to solve a congestion problem in the city of Sydney by entering into a 30-year P3 contract with a private consortium,* to build and operate a tolled underground tunnel. When the Cross City Tunnel fell short of its projected 90,000 patrons a day because motorists refused to pay the high tolls and took free alternatives, the city, in order to meet its contract obligations, began closing surface roads in order to funnel traffic into the tunnel. When public outrage mounted, it became clear that in its secret P3 contract, the city had no choice but to employ such "traffic calming" measures to ensure non-competition with the tunnel.

Better alternative

A major problem with P3s in general is that all such contracts are considered private and are not subject to Freedom of Information requests. There is no accountability, therefore, until problems crop up after construction is complete. There is no way to know whether and how much the misfortune of Port Mann bridge users is being sold by Minister Falcon as an opportunity for monopoly profits.

There is an alternative. Toll revenues could go to the government, so that the incentives for increasing tolls are driven by democratically accountable priorities, and so that there are no perverse incentives to make traffic denser on the tolled roads.

In addition, tolls can be deployed system-wide (for instance, on all Fraser River crossings) rather than unfairly targeting the residents of Surrey and the lower Fraser Valley who have poor transit service and the most difficult access across the Fraser.

In fact, by the government's own projections (Gateway Program Definition Report, page 37), all the benefits of the proposed Port Mann bridge and highway expansion come from the traffic-reducing effect of tolls, not from the new road capacity. This is why many planners are [arguing for public tolls](#) instead of any new bridge. This plan would have an immediate, lasting, and adjustable effect, as the city of London's congestion charges have demonstrated.

The residents most affected by bad traffic on the Highway 1 corridor want a livable region and sustainable world like everyone else. They also want an equitable solution that acts soon and is long lasting. Many would feel conned to learn that the toll coming from their pockets is just paying off the investors of a huge foreign corporation that has a vested interest in traffic growth and congestion.

**The original Tyee story implied here that Macquarie was involved in the consortium which won the contract to build and operate the Cross City Tunnel. That is incorrect. Macquarie was part of another consortium which bid on, but did not secure, the contract.*

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